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ANALYSIS OF RESERVES

City of Hamilton

Treasury

ANALYSIS OF RESERVES

Treasury Department
November 26, 1992

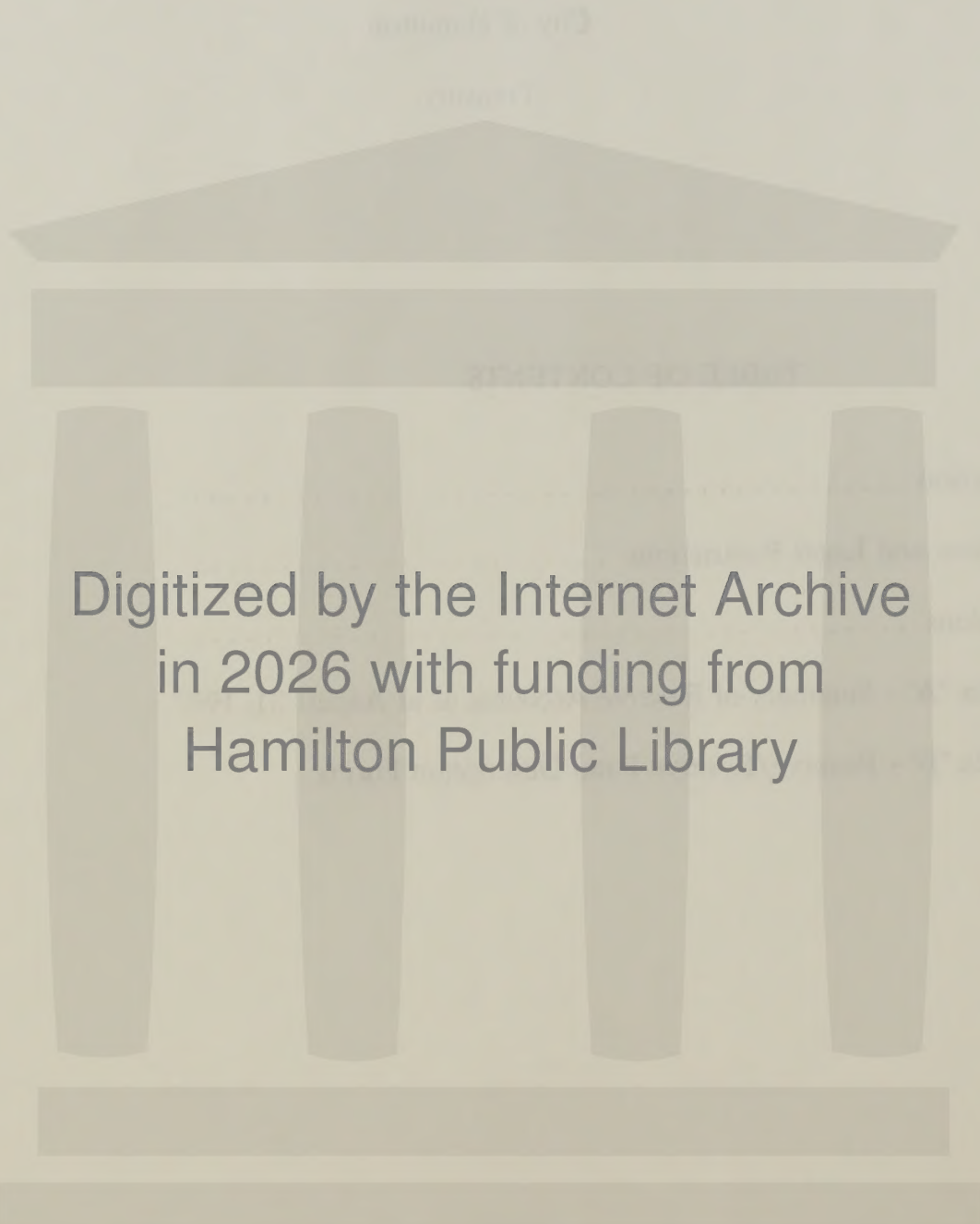
City of Hamilton

Treasury

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INTRODUCTION

The Ministry of Municipal Affairs directs that the Treasurer and Council periodically review the municipality's policy governing reserves.

This report defines and discusses the various types of reserve accounts being held by the City of Hamilton. It also describes the Provincial and Municipal legislation which authorizes or requires reserves to be set up and the accounting principles which govern the accounting for reserves.

The City of Hamilton financial statements as at December 31, 1991 showed a total reserve/reserve fund balance of \$86.5 million, exclusive of commitments. Commitments are excluded from the financial statements as they are allocations of funds for planned future activities which have been approved by Council, and are further discussed later in this report.

Section 358 of the Municipal Act requires the City to include the levies calculated by the School Boards and Upper Tier Government and remit them to these bodies regardless of the amount of taxes receivable. City Council annually authorizes the borrowing of monies to meet that obligation, however to date costly borrowing has been averted due to the availability of the reserves and the unfinanced capital funds.

Appendices "A" and "B" attached, provide analyses of Reserve and Reserve Fund balances and the commitments attached to those accounts as follows:

APPENDIX A (SUMMARY PAGES 1 TO 4):

This schedule provides a summary of the balance of each reserve, in alphabetical sequence, as at August 31, 1992.

Reserve account balances per Appendix "A", as at August 31, 1992, were as follows:

General Ledger Total	\$82,709,653
Less: Total Commitments	<u>13,277,230</u>
Balance Available	<u>\$69,432,423</u>

APPENDIX B (DETAIL PAGES 1 TO 43):

This appendix provides historical background and a brief financial summary of each reserve/reserve fund, with a comparison of transactions for the full year 1991, together with comments and calculations of funding levels.

DEFINITIONS AND LEGAL RESTRICTIONS

RESERVES

Reserves are set up under the requirement of the Statutes of Ontario and under guidelines issued by the Ministry of Municipal Affairs. Additional requirements and guidelines are set out by the Canadian Institute of Chartered Accountants.

A reserve is an allocation of resources and has the following general characteristics:

- it does not relate to any specific asset,
- it cannot have a revenue or an expense of itself (a reserve fund, described below, differs from a reserve in this respect),
- it is authorized under Section 164(2) of the Municipal Act and other similar Municipal Acts, and
- it may be established for a predetermined purpose and applied for that purpose.

Examples of reserves follow:

1. Reserve for Working Funds
2. Reserve for Contingencies
3. Reserve for Equipment Replacement

RESERVE FUNDS

Reserve funds differ from reserves in that reserve fund assets are segregated from other assets and access to the fund is restricted to applications which meet the purpose of the fund. There are two types of reserve funds:

Obligatory Reserve Funds

These funds are required to be created by statute and may be used only for the purpose prescribed for them. Some examples follow:

1. Revenue in lieu of park land - Section 50(12) of the Planning Act.
2. Revenue in lieu of off-street parking - Section 39(3) of the Planning Act.
3. Monies received under the Community Heritage Fund Program.
4. "Surplus" Parking Revenues - Section 208(55)(e) of the Municipal Act.

DEFINITIONS AND LEGAL RESTRICTIONS - (continued)

RESERVE FUNDS - continued

Discretionary Reserve Funds

These funds are created under Section 165 of the Municipal Act. They are established whenever a council wishes to earmark revenues to finance a future project for which it has the authority to spend money, for example:

1. Land Acquisitions
2. Capital projects
3. Self Insurance

REPORTING REQUIREMENTS

The various reserves and reserve funds are disclosed on the financial statements so that the Ministry of Municipal Affairs can confirm that the reserves conform to regulations.

The reserves and reserve funds are consolidated with those of the various local boards in accordance with Section 1006 of the Municipal Financial Reporting Handbook, however, the funds are held in accordance with the legislation and purposes for which each fund was established and are to be administered accordingly.

Section 1004 of the Municipal Financial Reporting Handbook requires that revenues and expenditures be reported on the accrual basis, that is:

- revenues should be recognized in the accounting period in which they become available, and
- expenditures should be recognized in the accounting period in which they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

DEFINITIONS AND LEGAL RESTRICTIONS - (continued)REPORTING REQUIREMENTS - continued

A "commitment" of reserve monies may nevertheless exist in the form of a Council Resolution or other assignment of funds due to a planned or potential liability. Under Ministry regulations, a commitment does not meet the definition of an accrued expenditure as described above. Commitments must therefore be excluded from financial statements presented to the Ministry. However, commitments are an integral part of our financial management and strategic control. As many of them exist through Council resolutions, they may also have a legal nature.

CONCLUSION

Reserves and reserve funds are set up for many purposes, for example:

- to provide a smoothing affect on the mill rate in periods of extraordinary expenditures,
- to avoid the need for costly borrowing, and
- to comply with statutes which protect special purpose revenues.

Many of our reserves and reserve funds are, under the Ministry of Municipal Affairs guidelines, obligatory by nature and access to them is restricted. Other funds, including those set up for local boards, are for specific and predetermined purposes.

A substantial portion of the reserve funds total consists of discretionary reserve accounts. When considering these accounts, one must bear in mind that:

- the Ministry financial statements do not reflect commitments
- some of the accounts are, in fact, presently underfunded according to the level of reserve needed for the specified purpose
- the protection provided by many of these accounts is endorsed by the Ministry as good accounting and business practices and have, in fact, been created by resolutions of Council

In summary, our goals have been to maintain effective business management and to maintain accountability to the Ministry's accounting guidelines and auditing standards.

City of Hamilton

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SUMMARY OF RESERVE ACCOUNTS
as at August 31, 1992

<u>Page Number</u> (1)	<u>Name of Reserve/ Reserve Fund</u> (2)	<u>Account Number</u> (3)	<u>General Ledger Balance</u> (4)	<u>Commitment</u> (5)	<u>Balance Available</u> (6)
1	Acquisition of Historic Properties	CH 00120	130,386	258	130,128
2	Acquisition of Lands in the Alpha Enclave	CH 00116	175,997		175,997
3	Acquisition of Properties under the Planning Act (5% Parks Lands)	CH 00201	2,127,004	1,025,199	1,101,805
4	Annualization	CH 00177	424,798	424,798	0
5	Capital Projects	CH 00203	2,690,586	200,000	2,490,586
6	Capital Projects - Central Utilities Plant (C.U.P.)	CH 00132	3,858		3,858
7	City Vehicle Insurance	CH 00290	500,000		500,000
8	Contingency	CH 00115	1,450,563		1,450,563
9	Debt Charges	CH 00108	7,135,704		7,135,704
10	Deferred Income Plan for City Council Members	CH 00171	667,479		667,479
11	Development Charges	CH 00212	2,930,710		2,930,710
12	Dofasco Appeal	CH 00106	6,010,983		6,010,983
13	Dundurn Castle Restoration	CH 00213	2,006		2,006
14	Election Expenses	CH 00123	135,000		135,000
15	Future Pension Liabilities	CH 00178	1,059,079		1,059,079
16	Hamilton Public Library - Capital Projects	CH 00204	60,714		60,714
17	Hamilton Scourge Foundation	CH 00127	12,208	12,208	0
18	Hamilton SPCA Capital Project	CH 00209	264,560	50,240	214,320
19	H.E.C.F.I. - Capital Projects	CH 00206	85,776		85,776
20	H.E.C.F.I. - Hamilton Place/Copps - Capital Projects - Ticket Surcharge	CH 00210/ CH 00211/ CH 00207	508,080		508,080
21	Historic Fire Engine	CH 00121	6,843		6,843
22	Hosting of Conferences with Municipal Subject Content	CH 00126	98,089		98,089
23	Hosting of Special Dignitaries	CH 00128	27,522		27,522
24	Long Term Disability Plan	CH 00125/ CH 00173/ CH 00176	8,088,643		8,088,643
25	Maintenance of Playground Facilities	CH 00122	47,970		47,970

SUMMARY OF RESERVE ACCOUNTS
as at August 31, 1992

<u>Page Number</u> (1)	<u>Name of Reserve/ Reserve Fund</u> (2)	<u>Account Number</u> (3)	<u>General Ledger Balance</u> (4)	<u>Commitment</u> (5)	<u>Balance Available</u> (6)
26	Major Repairs and Improvements to City-Owned Properties	CH 00109	745,161	168,240	576,921
27	Major Repairs to Mobile Equipment	CH 00103	2,130,730	79,320	2,051,410
28	Office Equipment	CH 00114	366,204		366,204
29	Off-Street Parking	CH 00202	2,802,102		2,802,102
30	Parcil Project	CH 00208	3,374,859	3,374,859	0
31	Park Improvements at Ivor Wynne Stadium	CH 00205	240,968		240,968
32	Project Management	CH 00134	974,270	974,270	0
33	Property Purchases	CH 00102	2,148,073	1,871,107	276,966
34	Realty Taxes Beach Strip Properties	CH 00119	5,106		5,106
35	Replacement of Mobile Equipment	CH 00101	11,613,701	3,882,050	7,731,651
36	Services for Unsubdivided Lands Development	CH 00107	506,879	330,000	176,879
37	Sick Leave on Resignation	CH 00113	3,797,164	221,450	3,575,714
38	Snow Control and Storm Damage	CH 00112	222,520	222,520	0
39	Special Events Subsidy	CH 00104	34,740		34,740
40	Tax Stabilization	CH 00135	534,860	400,000	134,860
41	Uninsured Losses - Fire & Public Liability	CH 00117	3,103,475	40,711	3,062,764
42	Workers' Compensation	CH 00118	846,359		846,359
43	Working Funds, Inventories, Reduction of Taxes & Prepaid Expenses	CH 00172	14,052,684		14,052,684
			<u>\$82,144,413</u>	<u>\$13,277,230</u>	<u>\$68,867,183</u>

SUMMARY OF RESERVE ACCOUNTS
as at August 31, 1992

<u>Page Number</u> (1)	<u>Name of Reserve/ Reserve Fund</u> (2)	<u>Account Number</u> (3)	<u>General Ledger Balance</u> (4)	<u>Commitment</u> (5)	<u>Balance Available</u> (6)
Local Boards' Reserve Accounts					
	<u>Hamilton Public Library</u>				
	Purchase of Books	LB 00105	\$ 7,304	\$	\$ 7,304
	Miscellaneous Collections	LB 00106	38,868		38,868
	Mobile Equipment	LB 00101	108,339		108,339
	Replacement of Photocopiers	LB 00102	10,044		10,044
	Repair Grounds	LB 00103	13,430		13,430
	Repair Buildings	LB 00104	216,482		216,482
	Film Replacement	LB 00107	129,585		129,585
	Automated Acquisition	LB 00108	6,976		6,976
	Non-Book Library Material	LB 00109	<u>34,212</u>	<u> </u>	<u>34,212</u>
			\$ <u>565,240</u>	\$ <u> </u>	\$ <u>565,240</u>
	Total Reserve Accounts, including Local Boards' Reserve Accounts		<u>\$82,709,653</u>	<u>\$13,277,230</u>	<u>\$69,432,423</u>

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APPENDIX "B"

	1991	1992
BALANCE JANUARY 1	\$281,475	\$287,474
ADD: REVENUES	_____	24,231
	\$281,475	\$311,705
DEDUCT: EXPENDITURES	151,288	_____
BALANCE as at August 31, 1992	\$130,187	_____
DEDUCT: COMMITMENTS	_____	_____
AVAILABLE BALANCE as at August 31, 1992	\$130,187	_____
BALANCE DECEMBER 31	_____	\$130,187

IS THE AVAILABLE BALANCE ADEQUATE	YES	NO
	_____	_____

EXPENDITURE APPROVAL PROCESS City Council

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Acquisition of Historic Properties
- 2) CENTRE NUMBER CH 00120
- 3) YEAR OF ORIGIN 1980 (Item 13 of 1st Report of Finance Committee adopted by City Council December 9, 1980).
- 4) PURPOSE Acquisition of Historical Properties in accordance with an agreement dated June 25, 1976 between the Ontario Heritage Foundation and the City.
- 5) FUNDING SOURCE(S) Land Sales

Initially funded from the sale of "Sandyford Place" in the amount of \$100,000 as per Items 13/14 of the 1st Report of the Finance Committee adopted by City Council December 9, 1980.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$281,675	\$257,434
ADD: REVENUES	<u> </u>	<u>24,251</u>
	281,675	281,685
DEDUCT: EXPENDITURES	<u>151,289</u>	<u>10</u>
BALANCE as at August 31, 1992	130,386	
DEDUCT: COMMITMENTS	<u>258</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$130,128</u>	
BALANCE DECEMBER 31		<u>\$281,675</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Acquisition of Lands in the Alpha Enclave
- 2) CENTRE NUMBER CH 00116
- 3) YEAR OF ORIGIN 1981 (Item 10 of the 15th Report of the Finance Committee adopted by City Council July 28, 1981).
- 4) PURPOSE Acquire land in the Alpha area
- rehabilitation
Usage is controlled by the Planning Department.
- 5) FUNDING SOURCE(S) Sale of the enclave lands

Initially funded from the partial proceeds (part of 5.274 acres) of sale of industrial land to Dofasco Inc. in the gross amount of \$1,282,306.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$175,997	\$161,052
ADD: REVENUES	<u> </u>	<u>14,945</u>
	175,997	175,997
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	175,997	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$175,997</u>	
BALANCE DECEMBER 31		<u>\$175,997</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: Additional funding being requested in 1993-2002 Capital Budget process to complete the balance of purchases in this area.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Acquisition of properties under the Planning Act (5% Parks Funds).
- 2) CENTRE NUMBER CH 00201
- 3) YEAR OF ORIGIN Prior to 1964
- 4) PURPOSE To finance the acquisition and development, etc. of parkland under the Planning Act, R.S.O. 1980, Chapter 379.

Section 25, Subsection (1) and Section 50, Subsection (12) of The Planning Act - 1983.

- 5) FUNDING SOURCE(S)
- i) 5% lands, or cash-in-lieu conveyed by developer.
 - ii) Sale of land, originally acquired for parks as recreation purposes, but no longer required.
 - iii) Rental of parkland.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$2,963,665	\$3,824,317
ADD: REVENUES	<u>1,844,771</u>	<u>2,569,328</u>
	4,808,435	6,393,645
DEDUCT: EXPENDITURES	<u>2,681,431</u>	<u>3,429,980</u>
	2,127,004	
BALANCE as at August 31, 1992	2,127,004	
DEDUCT: COMMITMENTS	<u>1,025,199</u>	<u> </u>
	\$1,101,805	
AVAILABLE BALANCE as at August 31, 1992	<u>\$1,101,805</u>	
BALANCE DECEMBER 31		<u>\$2,963,665</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: The funding requirement for the 1993-1996 Capital Programme is \$6.2 million, and for the five years following 1996 is \$4.6 million.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Annualization
- 2) CENTRE NUMBER CH 00177
- 3) YEAR OF ORIGIN 1989
- 4) PURPOSE To help equalize estimates from one year to next due to annualization of new or enhanced programs for departmental budgets.

- 5) FUNDING SOURCE(S) Provision from overall Current Budget

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$424,798	\$1,846,551
ADD: REVENUES	<u> </u>	<u>549,412</u>
	424,798	2,395,963
DEDUCT: EXPENDITURES	<u> </u>	<u>1,971,165</u>
	424,798	
BALANCE as at August 31, 1992	<u>424,798</u>	<u> </u>
DEDUCT: COMMITMENTS	<u>424,798</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>0</u>	
BALANCE DECEMBER 31		\$ <u>424,798</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS City Council (from Treasurer). It is being recommended this authority revert to City Council.

- NOTE: - The balance in this reserve will be available together with the "Tax Stabilization" reserve to fund present liability of an estimated \$600,000 under the "right-sizing" early retirement proposals.
- No funds available to pay for any future "right-sizing" proposals.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Capital Projects
- 2) CENTRE NUMBER CH 00203
- 3) YEAR OF ORIGIN 1976
- 4) PURPOSE To finance various capital projects.
- 5) FUNDING SOURCE(S)

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$4,453,881	\$11,816,133
ADD: REVENUES	<u>212,296</u>	<u>3,690,531</u>
	4,241,586	15,506,664
DEDUCT: EXPENDITURES	<u>1,551,000</u>	<u>11,052,783</u>
	2,690,586	
BALANCE as at August 31, 1992	<u>200,000</u>	
DEDUCT: COMMITMENTS		
AVAILABLE BALANCE as at August 31, 1992	<u>\$2,490,586</u>	
BALANCE DECEMBER 31		<u>\$ 4,453,881</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: - The funding requirement for the 1993-1996 Capital Programme is \$8.4 million, and for the five years following 1996 is \$4.7 million.

- It is being recommended that any unallocated Capital Levy at year end be transferred to this Reserve to assist in funding of future capital projects.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Capital Projects - Central Utilities Plant (C.U.P.)
- 2) CENTRE NUMBER CH 00132
- 3) YEAR OF ORIGIN 1988
- 4) PURPOSE CUP Capital Expenditures
- 5) FUNDING SOURCE(S) Unexpended funds of current budget for C.U.P.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$73,858	\$278,865
ADD: REVENUES	<u> </u>	<u>29,994</u>
	73,858	308,859
DEDUCT: EXPENDITURES	<u>70,000</u>	<u>235,001</u>
BALANCE as at August 31, 1992	3,858	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>3,858</u>	
BALANCE DECEMBER 31		\$ <u>73,858</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: A recommendation has been made to transfer the balance in this Reserve to "Reserve for Capital Projects" and close out, as H.E.C.F.I. no longer has responsibility for the C.U.P. and therefore the C.U.P. accounts revert to City procedures.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME City Vehicle Insurance
- 2) CENTRE NUMBER CH 00290
- 3) YEAR OF ORIGIN Prior to 1964
- 4) PURPOSE To fund vehicle accident liability up to \$100,000 (minimum balance requirement \$500,000).
- 5) FUNDING SOURCE(S) Current Estimates - vehicle premiums charged to departmental accounts.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$500,000	\$500,000
ADD: REVENUES	_____	<u>361,421</u>
	500,000	861,421
DEDUCT: EXPENDITURES	_____	<u>361,421</u>
BALANCE as at August 31, 1992	500,000	
DEDUCT: COMMITMENTS	_____	_____
AVAILABLE BALANCE as at August 31, 1992	<u>\$500,000</u>	
BALANCE DECEMBER 31		<u>\$500,000</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Manager of Claims.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Contingency
- 2) CENTRE NUMBER CH 00115
- 3) YEAR OF ORIGIN 1976
- 4) PURPOSE Emergency funding for unforeseen causes.
- 5) FUNDING SOURCE(S) Provision from the year end surplus distribution.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$1,460,111	\$1,454,317
ADD: REVENUES	<u>50</u>	<u>313,896</u>
	1,460,161	1,768,213
DEDUCT: EXPENDITURES	<u>9,598</u>	<u>308,102</u>
	1,450,563	
BALANCE as at August 31, 1992		
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$1,450,563</u>	
BALANCE DECEMBER 31		<u>\$1,460,111</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: Contingency balance represents less than 1% of gross current budget expenditures.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Debt Charges
- 2) CENTRE NUMBER CH 00108/CH 13013 00001
- 3) YEAR OF ORIGIN 1968
- 4) PURPOSE Allowance for debt charges, cost on commutation of locals and provision to write off discounts whenever debentures for capital projects are sold at a discount.
- 5) FUNDING SOURCE(S) Provision from Current Budget

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$6,106,533	\$4,622,321
ADD: REVENUES	<u>1,200,059</u>	<u>1,605,820</u>
	7,306,592	6,228,141
DEDUCT: EXPENDITURES	<u>170,888</u>	<u>121,608</u>
BALANCE as at August 31, 1992	<u>7,135,704</u>	_____
AVAILABLE BALANCE as at August 31, 1992	<u>\$7,135,704</u>	
BALANCE DECEMBER 31		<u>\$6,106,533</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

NOTE: Fund balance includes long term investments in the amount of \$1,817,771.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Deferred Income Plan for City Council Members
- 2) CENTRE NUMBER CH 00171
- 3) YEAR OF ORIGIN 1984
- 4) PURPOSE To provide supplementary retirement benefit to Council Members.
- 5) FUNDING SOURCE(S) Initial funding was transferred from the Reserve for Contingency. Funding on-going basis from Current Budget (presently \$37,000 year).

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$630,479	\$556,106
ADD: REVENUES	<u>37,000</u>	<u>90,610</u>
	667,479	646,716
DEDUCT: EXPENDITURES	<u> </u>	<u>16,237</u>
	667,479	
BALANCE as at August 31, 1992	<u>667,479</u>	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$667,479</u>	
BALANCE DECEMBER 31		<u>\$630,479</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

NOTE: Actuarially valued annually.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Development Charges.
- 2) CENTRE NUMBER CH 00212
- 3) YEAR OF ORIGIN 1989
- 4) PURPOSE New Development Charges effective January 1, 1990.
- 5) FUNDING SOURCE(S) New Development Charges.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$2,154,650	\$ 739,945
ADD: REVENUES	<u>776,060</u>	<u>1,414,705</u>
	2,930,710	2,154,650
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	2,930,710	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$2,930,710</u>	
BALANCE DECEMBER 31		<u>\$2,154,650</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Dofasco Appeal
- 2) CENTRE NUMBER CH 00106
- 3) YEAR OF ORIGIN 1987 (Adopted by City Council September 29, 1987 as per 15th report of the Finance Committee, Item 8.)
- 4) PURPOSE Establish funds for potential loss of tax revenue re Dofasco appeal of 1983 to 1987 Realty and Business Tax.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$6,010,983	\$5,500,534
ADD: REVENUES	<u> </u>	<u>510,450</u>
	6,010,983	6,010,984
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	6,010,983	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$6,010,983</u>	
BALANCE DECEMBER 31		<u>\$6,010,984</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X
- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: Fund balance would require an additional \$442,000 in the worst-case scenario, however, the final outcome is still pending. In the event funds are remaining in this account after final outcome, Council has authorized Treasurer to transfer funds to the Reserve for Capital Projects.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Dundurn Castle Restoration
- 2) CENTRE NUMBER CH 00213
- 3) YEAR OF ORIGIN 1990 (Item 2 of the 15th Report of the Parks and Recreation Committee adopted by City Council August 28, 1990)
- 4) PURPOSE Restoration/conservation work on Dundurn Castle and auxiliary buildings.
- 5) FUNDING SOURCE(S) Public donations

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$2,006	\$1,278
ADD: REVENUES	<u> </u>	<u>728</u>
	2,006	2,006
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	2,006	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$2,006</u>	
BALANCE DECEMBER 31		<u>\$2,006</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Election Expense
- 2) CENTRE NUMBER CH 00123
- 3) YEAR OF ORIGIN 1984
- 4) PURPOSE To eliminate the fluctuation of annual mill rate resulting from the election expenditure every third year.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$ 10,000	\$194,406
ADD: REVENUES	<u>125,000</u>	<u>220,539</u>
	135,000	414,945
DEDUCT: EXPENDITURES	<u> </u>	<u>404,945</u>
BALANCE as at August 31, 1992	135,000	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$135,000</u>	
BALANCE DECEMBER 31		<u>\$ 10,000</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Future Pension Liabilities
 - 2) CENTRE NUMBER CH 00178
 - 3) YEAR OF ORIGIN 1991 (Item 19 of the 3rd report of Finance and Administration adopted by City Council February 26, 1991.)
 - 4) PURPOSE To fund actuarial deficiencies in pension plans.
 - 5) FUNDING SOURCE(S) Established from the reimbursement by OMERS of Employers overpayment.
- | | <u>1992</u> | <u>1991</u> |
|---|-----------------------------|-----------------------------|
| 6) BALANCE JANUARY 1 | \$1,059,079 | \$ 969,143 |
| ADD: REVENUES | <u> </u> | <u>89,936</u> |
| | 1,059,079 | |
| DEDUCT: EXPENDITURES | <u> </u> | <u> </u> |
| BALANCE as at August 31, 1992 | 1,059,079 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$1,059,079</u> | |
| BALANCE DECEMBER 31 | | <u>\$1,059,079</u> |
- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
 - 8) EXPENDITURE APPROVAL PROCESS Treasurer, in accordance with plan regulations and procedures.

NOTE: (a) Future proposals include indexing of OMERS pension plan (with financial impact on HMRF).

(b) An additional \$2.8 million reimbursement from OMERS is presently on hold pending the outcome of discussions as to the disposition of these funds resulting from the City's contribution to the Type III Supplementary for Firefighters.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Hamilton Public Library - Capital Projects
- 2) CENTRE NUMBER CH 00204
- 3) YEAR OF ORIGIN 1981
- 4) PURPOSE To finance various capital projects such as Capital Equipment and furnishings.
- 5) FUNDING SOURCE(S) Operating surplus from Hamilton Public Libraries.

Item 4 of the 9th Report of the Finance Committee
adopted by City Council April 14, 1981.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$259,159	\$382,164
ADD: REVENUES	<u>27,556</u>	<u>174,995</u>
	286,714	557,159
DEDUCT: EXPENDITURES	<u>226,000</u>	<u>298,000</u>
BALANCE as at August 31, 1992	60,714	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>60,714</u>	
BALANCE DECEMBER 31		<u>\$259,159</u>
7) IS THE AVAILABLE BALANCE ADEQUATE	YES <u> </u>	NO <u> </u>
	<u> </u>	<u> </u>

- 8) EXPENDITURE APPROVAL PROCESS Library Board and City Council.

NOTE: The funding requirement for the 1993-1996 Capital Programme is \$520,000.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Hamilton Scourge Foundation
- 2) CENTRE NUMBER CH 00127
- 3) YEAR OF ORIGIN 1987 (Adopted by City Council on May 25, 1982 as per 13th Report of the Parks and Recreation Committee. Funds set aside from 1987 Current Budget Surplus per Finance Committee February 23, 1988.)
- 4) PURPOSE Provide interest free loan from the City to The Hamilton and Scourge Foundation Inc. to a maximum of \$75,000.
- 5) FUNDING SOURCE(S) Provision from the year end surplus distribution.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$12,208	\$11,338
ADD: REVENUES	<u> </u>	<u>1,053</u>
	12,208	12,391
DEDUCT: EXPENDITURES	<u> </u>	<u>183</u>
BALANCE as at August 31, 1992	12,208	
DEDUCT: COMMITMENTS	<u>12,208</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>0</u>	
BALANCE DECEMBER 31		<u>\$12,208</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Hamilton SPCA Capital Project
- 2) CENTRE NUMBER CH 00209
- 3) YEAR OF ORIGIN 1990 (Item 17(a) and (b) of the 22nd report of F & A adapted by City Council September 25, 1990.)
- 4) PURPOSE To help finance the eventual replacement of the Hamilton SPCA headquarters.
- 5) FUNDING SOURCE(S) From Reserve for Capital Projects.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$264,560	\$242,094
ADD: REVENUES	<u> </u>	<u>22,466</u>
	264,560	264,560
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	264,560	
DEDUCT: COMMITMENTS	<u>50,240</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$214,320</u>	
BALANCE DECEMBER 31		<u>\$264,560</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X
- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: Decision on final plans for this project has yet to be made.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME H.E.C.F.I. - Capital Projects
- 2) CENTRE NUMBER CH 00206
- 3) YEAR OF ORIGIN 1986
- 4) PURPOSE To finance various capital projects of the Hamilton Convention Centre, Hamilton Place and Victor K. Copps Trade Centre/Arena.
- 5) FUNDING SOURCE(S) Operating surplus from the H.E.C.F.I. (principle of setting up reserve was established as per Item 4 of the 9th Report the Finance Committee adopted by City Council April 14, 1981).
- | | | |
|---|-------------------|-------------------------|
| 6) BALANCE JANUARY 1 | <u>1992</u> | <u>1991</u> |
| ADD: REVENUES | \$932,776 | \$1,098,663 |
| | <u> </u> | <u>282,113</u> |
| | 932,776 | 1,380,776 |
| DEDUCT: EXPENDITURES | <u>847,000</u> | <u>448,000</u> |
| BALANCE as at August 31, 1992 | 85,776 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$ 85,776</u> | |
| BALANCE DECEMBER 31 | | <u><u>\$932,776</u></u> |
- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X
- 8) EXPENDITURE APPROVAL PROCESS H.E.C.F.I. Board and City Council.

NOTE: The funding requirement for the 1993-1996 Capital Programme is \$788,000.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME H.E.C.F.I. - Hamilton Place/Copps - Capital Projects Ticket Surcharge.
- 2) CENTRE NUMBER CH 00207/CH 00210/CH 00211
- 3) YEAR OF ORIGIN 1984
- 4) PURPOSE To finance major capital budget items.
- 5) FUNDING SOURCE(S) Ticket Surcharge

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$444,141	\$472,323
ADD: REVENUES	<u>68,707</u>	<u>154,658</u>
	512,848	626,981
DEDUCT: EXPENDITURES	<u>4,768</u>	<u>182,840</u>
BALANCE as at August 31, 1992	508,080	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$508,080</u>	
BALANCE DECEMBER 31		<u>\$444,141</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO

- 8) EXPENDITURE APPROVAL PROCESS H.E.C.F.I. Board and City Council.

NOTE: The funding requirement for the 1993-1996 Capital Program totals \$820,000 from this Reserve.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Historic Fire Engine
 - 2) CENTRE NUMBER CH 00121
 - 3) YEAR OF ORIGIN 1980 (Item 2 of the 11th Report of the Parks and Recreation Committee adopted by City Council May 12, 1981).
 - 4) PURPOSE To cover the estimated financial responsibility of the City for licensing and insuring a 1924 Ahrens Fox Pumper over a 20 year period.
It is required because it is beyond the term of Council.
 - 5) FUNDING SOURCE(S) Provision from the year end surplus distribution.
- | | <u>1992</u> | <u>1991</u> |
|---|----------------|----------------|
| 6) BALANCE JANUARY 1 | \$6,843 | \$6,262 |
| ADD: REVENUES | <u> </u> | <u>581</u> |
| | 6,843 | 6,843 |
| DEDUCT: EXPENDITURES | <u> </u> | <u> </u> |
| BALANCE as at August 31, 1992 | 6,843 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$6,843</u> | |
| BALANCE DECEMBER 31 | | <u>\$6,843</u> |
- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
 - 8) EXPENDITURE APPROVAL PROCESS City Treasurer.

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$91,328 | \$84,667 |
| ADD: REVENUES | <u>6,761</u> | <u>7,863</u> |
| | 98,098 | 92,530 |
| DEDUCT: EXPENDITURES | <u> </u> | <u>1,202</u> |
| BALANCE as at August 31, 1992 | 98,089 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$98,089</u> | |
| BALANCE DECEMBER 31 | | \$91,328 |

- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Hosting of Special Dignitaries
 - 2) CENTRE NUMBER CH 00128
 - 3) YEAR OF ORIGIN 1987
 - 4) PURPOSE To host royal visits and special dignitaries.
 - 5) FUNDING SOURCE(S) Allocated out of 1988 year-end surplus.
- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$41,169 | \$96,331 |
| ADD: REVENUES | <u> </u> | <u>6,059</u> |
| | 41,169 | 102,390 |
| DEDUCT: EXPENDITURES | <u>13,646</u> | <u>61,221</u> |
| BALANCE as at August 31, 1992 | 27,522 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$27,522</u> | |
| BALANCE DECEMBER 31 | | <u>\$41,169</u> |
- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X
 - 8) EXPENDITURE APPROVAL PROCESS Mayor's Office.

NOTE: Balance at year end should be restored to level of expenditures occurring in 1992.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Long Term Disability Plan
- 2) CENTRE NUMBER CH 00125/CH 00176/CH 00173
- 3) YEAR OF ORIGIN 1985
- 4) PURPOSE To finance long term disability plan, group life, and medical costs for eventual self insurance.
- 5) FUNDING SOURCE(S) (a) Surplus from group life insurance premium paid to Canada Life.
(b) The difference between the long term disability premium rate and actual experience.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$8,088,643	\$6,800,386
ADD: REVENUES	<u> </u>	<u>1,288,257</u>
	8,088,643	8,088,643
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	8,088,643	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$8,088,643</u>	
BALANCE DECEMBER 31		<u>\$8,088,643</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

NOTE: This reserve includes L.T.D., Group Life, and Medical financing, and a recommendation has been made to combine these benefits and re-name the reserve to "Reserve for Employee Benefits-Self-Insurance".

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Maintenance of Playground Facilities
- 2) CENTRE NUMBER CH 00122
- 3) YEAR OF ORIGIN 1982 (Item 6 of the 14th Report of the Finance Committee adopted by City Council July 27, 1982).
- 4) PURPOSE To provide for maintenance of playground facilities to be constructed under the Neighbourhood Improvement Program at St. Brigid's, Wentworth Street, West Avenue, Earl Kitchener, St. Patrick's, Fairfield, Roxborough, St. Helen's and Parkdale Schools. It is required because it is beyond the term of Council.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$47,970	\$43,897
ADD: REVENUES	<u> </u>	<u>4,073</u>
	47,970	47,970
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	47,970	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$47,970</u>	
BALANCE DECEMBER 31		<u>\$47,970</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Director of Culture and Recreation.

NOTE: A recommendation is provided to close this reserve and transfer funding to cover the net overdraft in Playground Equipment Capital Projects #709152001 of \$41,642, with the balance to be returned to the Capital Unallocated Levy account.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Major Repairs and Improvements to City Owned Properties
- 2) CENTRE NUMBER CH 00109
- 3) YEAR OF ORIGIN 1971 (description of Reserve revised as per Item 6 of the 3rd Report of the Finance Committee adopted by City Council February 14, 1984).
- 4) PURPOSE Major repairs and improvements to all City owned property, with estimated costs of over \$10,000 to a maximum of \$50,000.
- 5) FUNDING SOURCE(S) Net rental revenue less operating expenditure of city-owned rented properties, dependent upon surplus position of City at year end.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$758,147	\$708,078
ADD: REVENUES	<u> </u>	<u>70,564</u>
	758,147	778,642
DEDUCT: EXPENDITURES	<u>12,986</u>	<u>20,495</u>
	745,161	
BALANCE as at August 31, 1992	168,240	<u> </u>
DEDUCT: COMMITMENTS	<u> </u>	
AVAILABLE BALANCE as at August 31, 1992	<u>\$576,921</u>	
BALANCE DECEMBER 31		<u>\$758,147</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
- 8) EXPENDITURE APPROVAL PROCESS City Council.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Major Repairs to Mobile Equipment
- 2) CENTRE NUMBER CH 00103
- 3) YEAR OF ORIGIN 1975
- 4) PURPOSE Major repairs of City vehicles such as drive train, motor overhaul, brake replacement, body work, hydraulic system overhaul, water tank replacement, fire pump overhaul, frames (repairs and alignment), aerial ladder testing and repair replacement of ground ladders.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$1,661,655	\$1,322,119
ADD: REVENUES	<u>479,184</u>	<u>757,750</u>
	2,140,839	2,079,869
DEDUCT: EXPENDITURES	<u>10,109</u>	<u>418,214</u>
	2,130,730	
BALANCE as at August 31, 1992	<u>79,320</u>	
DEDUCT: COMMITMENTS		
AVAILABLE BALANCE as at August 31, 1992	<u>\$2,051,410</u>	
BALANCE DECEMBER 31		<u>\$1,661,655</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Manager of Fleet Services and Treasurer, in accordance with established criteria as to components of "major repair".

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Office Equipment
- 2) CENTRE NUMBER CH 00114
- 3) YEAR OF ORIGIN 1976
- 4) PURPOSE Replacement of typewriters, calculators, cash registers, mimeograph equipment, dictating equipment, photocopiers, adding machine, electric pencil sharpeners, microfilm equipment, weigh scales.
- 5) FUNDING SOURCE(S) Year end surplus distribution.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$368,317	\$347,711
ADD: REVENUES	<u> </u>	<u>31,744</u>
	368,317	379,455
DEDUCT: EXPENDITURES	<u>2,113</u>	<u>11,138</u>
	366,204	
BALANCE as at August 31, 1992	<u> </u>	<u> </u>
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$366,204</u>	
BALANCE DECEMBER 31		<u>\$368,317</u>
7) IS THE AVAILABLE BALANCE ADEQUATE	YES <u> X </u> NO <u> </u>	<u> </u>
8) EXPENDITURE APPROVAL PROCESS	At present City Council; recommendation will be for approval by Manager of Purchasing and Treasurer in accordance with Purchasing policy spending limits.	

NOTE: A recommendation has been proposed for expanding the purpose of this Reserve.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Off-Street Parking
- 2) CH 00202
- 3) YEAR OF ORIGIN Prior to 1964
- 4) PURPOSE Purchase land and development of Off-Street Parking Facilities.
- 5) FUNDING SOURCE(S) Parking Authority current operating profit or loss from on-street parking meter operations and off-street parking lots.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$4,710,154	\$6,442,787
ADD: REVENUES	<u>66,948</u>	<u>2,241,801</u>
	4,777,102	8,684,588
DEDUCT: EXPENDITURES	<u>1,975,000</u>	<u>3,974,434</u>
BALANCE as at August 31, 1992	2,802,102	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$2,802,102</u>	
BALANCE DECEMBER 31		<u>\$4,710,154</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS Parking Authority Board and City Council.

NOTE: The funding requirement for the 1993-1996 Capital Programme is \$5.6 million.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME PARCIL Project
- 2) CENTRE NUMBER CH 00208
- 3) YEAR OF ORIGIN 1990 (Item 20 of the 24th Report of the Finance and Administration Committee adopted by City Council October 30, 1990.)
- 4) PURPOSE To finance the upfront cash requirements for the PARCIL Project.
- 5) FUNDING SOURCE(S) Reserve for Capital Projects.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$3,374,859	\$
ADD: REVENUES	<u> </u>	<u>3,374,859</u>
	3,374,859	3,374,859
DEDUCT: EXPENDITURES	<u> </u>	<u> </u>
BALANCE as at August 31, 1992	3,374,859	
DEDUCT: COMMITMENTS	<u>3,374,859</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$ 0</u>	
BALANCE DECEMBER 31		<u><u>\$3,374,859</u></u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Treasurer and C.A.O.

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$341,968 | \$312,929 |
| ADD: REVENUES | <u> </u> | <u>29,039</u> |
| | 341,968 | 341,968 |
| DEDUCT: EXPENDITURES | <u>101,000</u> | <u> </u> |
| BALANCE as at August 31, 1992 | 240,968 | |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$240,968</u> | |
| BALANCE DECEMBER 31 | | \$341,968 |

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CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Project Management
- 2) CENTRE NUMBER CH 00134
- 3) YEAR OF ORIGIN 1989
- 4) PURPOSE Establish a reserve for upgrading computer system for Tax Department.
- 5) FUNDING SOURCE(S) Provision from year end surplus.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$974,270	\$1,169,867
ADD: REVENUES	<u> </u>	<u>108,564</u>
	974,270	1,278,431
DEDUCT: EXPENDITURES	<u> </u>	<u>304,161</u>
BALANCE as at August 31, 1992	974,270	
DEDUCT: COMMITMENTS	<u>974,270</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>0</u>	
BALANCE DECEMBER 31		\$ <u>974,270</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO
- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | | |
|----|-------------------|--|
| 1) | NAME | Property Purchases |
| 2) | CENTRE NUMBER | CH 00102 |
| 3) | YEAR OF ORIGIN | 1961 (Item 24 of the 9th Report of the Board of Control adopted by City Council March 28, 1961). |
| 4) | PURPOSE | To finance the acquisition of properties for Civic purposes. |
| 5) | FUNDING SOURCE(S) | The proceeds from sale of lands and buildings vested in The Corporation of the City of Hamilton. |

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$1,817,120	\$4,491,027
ADD: REVENUES	<u>691,554</u>	<u>682,336</u>
	2,508,674	5,173,363
DEDUCT: EXPENDITURES	<u>360,601</u>	<u>3,356,243</u>
BALANCE as at August 31, 1992	2,148,073	
DEDUCT: COMMITMENTS	<u>1,871,107</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>276,966</u>	
BALANCE DECEMBER 31		\$1,817,120

- | | | | | | |
|----|--------------------------------------|-----|-------|---------------|--------|
| 7) | IS THE AVAILABLE
BALANCE ADEQUATE | YES | _____ | NO | _____X |
| | | | _____ | | _____ |
| 8) | EXPENDITURE APPROVAL PROCESS | | | City Council. | |

NOTE: Recommended level - should be maintained at a net balance of \$2,500,000.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Realty Taxes Beach Strip Properties
- 2) CENTRE NUMBER CH 00119
- 3) YEAR OF ORIGIN 1979
- 4) PURPOSE Payment of taxes on Conservation Authority land rented by City.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$11,837	\$14,739
ADD: REVENUES	<u>80,000</u>	<u>80,386</u>
	91,837	95,125
DEDUCT: EXPENDITURES	<u>86,732</u>	<u>83,288</u>
BALANCE as at August 31, 1992	5,106	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>5,106</u>	
BALANCE DECEMBER 31		<u>\$11,837</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Replacement of Mobile Equipment
- 2) CENTRE NUMBER CH 00101
- 3) YEAR OF ORIGIN 1956 (Item 1 of the 9th Report of the Board of Control adopted by City Council March 19, 1956.)
- 4) PURPOSE Replacement of depreciated and obsolete vehicles (e.g., cars and trucks) and equipment (e.g., snow plows, garbage packers).
- 5) FUNDING SOURCE(S) Provision from Current Budget

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$11,488,375	\$10,558,022
ADD: REVENUES	<u>2,092,371</u>	<u>4,322,498</u>
	13,580,749	14,880,520
DEDUCT: EXPENDITURES	<u>1,967,044</u>	<u>3,392,145</u>
BALANCE as at August 31, 1992	11,613,701	
DEDUCT: COMMITMENTS	<u>3,882,050</u>	
AVAILABLE BALANCE as at August 31, 1992	<u>\$ 7,731,651</u>	
BALANCE DECEMBER 31		<u>\$11,488,375</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO
X
- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: To maintain the reserve at 100% level of the accumulated depreciation, the fund should be increased by \$6 million to cover the original book value of the mobile equipment. This would not cover any inflationary cost increase.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Services for Unsubdivided Lands Development
- 2) CENTRE NUMBER CH 00107
- 3) YEAR OF ORIGIN 1964 (By-law 9413 c.m. July 25, 1961)
- 4) PURPOSE To finance City's share of services in subdivisions for installation of preliminary roads, catch basins, curbs and walks, final roads, sodding, trees, street lighting, sewers and water mains; and through unsubdivided lands for construction of preliminary roads and pathways.
- 5) FUNDING SOURCE(S) Sale of 1' reserves.
- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$ 626,564 | \$1,208,316 |
| ADD: REVENUES | <u>1,252,254</u> | <u>497,266</u> |
| | 1,878,818 | 1,705,582 |
| DEDUCT: EXPENDITURES | <u>1,371,939</u> | <u>1,079,018</u> |
| BALANCE as at August 31, 1992 | 506,879 | |
| DEDUCT: COMMITMENTS | <u>330,000</u> | |
| AVAILABLE BALANCE as at August 31, 1992 | \$ <u>176,879</u> | |
| BALANCE DECEMBER 31 | | \$ <u>626,564</u> |
- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO
X
- 8) EXPENDITURE APPROVAL PROCESS City Council.

NOTE: Balance is inadequate when measured against historical expenditures, however, recoveries from sale of 1' reserves are expected to mitigate this situation to some degree.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Sick Leave
- 2) CENTRE NUMBER CH 00113
- 3) YEAR OF ORIGIN 1976
- 4) PURPOSE To finance payment of accumulated sick leave liability on resignation, death or retirement.
- 5) FUNDING SOURCE(S) Provision from Current Budget.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$3,797,164	\$3,628,193
ADD: REVENUES	<u> </u>	<u>1,471,928</u>
	3,797,164	5,100,121
DEDUCT: EXPENDITURES	<u> </u>	<u>1,302,957</u>
BALANCE as at August 31, 1992	3,797,164	
DEDUCT: COMMITMENTS	<u>221,450</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$3,575,714</u>	
BALANCE DECEMBER 31		<u>\$3,797,164</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES NO X

- 8) EXPENDITURE APPROVAL PROCESS Treasurer.

NOTE: (a) Present liability as at December 31, 1991 of sick bank for active employees is approximately \$11 million. A recommendation has been provided for approval to have an actuarial valuation performed on this fund.

- (b) Also provides for funding of unbudgeted replacement cost of staffing, if required, as a result of short-term disability.

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | <u>1992</u> | <u>1991</u> |
|---|--------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$ 222,520 | \$1,253,509 |
| ADD: REVENUES | <u> </u> | <u>116,326</u> |
| | 222,520 | 1,369,835 |
| DEDUCT: EXPENDITURES | <u> </u> | <u>1,147,315</u> |
| BALANCE as at August 31, 1992 | 222,520 | |
| DEDUCT: COMMITMENTS | <u>222,520</u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u><u>\$ 0</u></u> | |
| BALANCE DECEMBER 31 | | \$222,520 |

- NOTE:** Fund balance should be maintained at a minimum of \$1,100,000.

CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Special Events Subsidy
- 2) CENTRE NUMBER CH 00104
- 3) YEAR OF ORIGIN 1986 (authorized by the Executive Committee March 13, 1986).
- 4) PURPOSE To establish a fund to assist H.E.C.F.I. in competing on a Provincial, National and International level for convention business.
- 5) FUNDING SOURCE(S) Current Budget allocation.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$ 27,272	\$ 38,141
ADD: REVENUES	<u>100,000</u>	<u>102,774</u>
	127,273	140,915
DEDUCT: EXPENDITURES	<u>92,532</u>	<u>113,643</u>
BALANCE as at August 31, 1992	34,740	
DEDUCT: COMMITMENTS	<u> </u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	\$ <u>34,740</u>	
BALANCE DECEMBER 31		\$ <u>27,272</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS H.E.C.F.I.

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$534,860 | \$1,670,000 |
| ADD: REVENUES | <u> </u> | <u>33,100</u> |
| | | 1,703,100 |
| DEDUCT: EXPENDITURES | <u> </u> | <u>1,168,240</u> |
| BALANCE as at August 31, 1992 | 534,860 | |
| DEDUCT: COMMITMENTS | <u>400,000</u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$134,860</u> | |
| BALANCE DECEMBER 31 | | \$ 534,860 |

- 8) EXPENDITURE APPROVAL PROCESS City Council (from Treasurer). It is being recommended this authority revert to City Council.

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CITY OF HAMILTON

RESERVE/RESERVE FUND DESCRIPTION FORM

- 1) NAME Uninsured Losses - Property and Public Liability.
- 2) CENTRE NUMBER CH 00117
- 3) YEAR OF ORIGIN 1978
- 4) PURPOSE To pay for losses that arise within the \$100,000 deductible clause of Property Insurance policy. Item 11 of the 18th Report of the Finance Committee adopted by City Council September 29, 1981. Also available to finance deductible of \$3 million on Liability policy.
- 5) FUNDING SOURCE(S) Current Estimates - premium charges, and transfers from other reserves.

	<u>1992</u>	<u>1991</u>
6) BALANCE JANUARY 1	\$3,078,034	\$2,782,639
ADD: REVENUES	<u>48,778</u>	<u>410,486</u>
	3,126,812	3,193,125
DEDUCT: EXPENDITURES	<u>23,337</u>	<u>115,091</u>
BALANCE as at August 31, 1992	3,103,475	
DEDUCT: COMMITMENTS	<u>40,711</u>	<u> </u>
AVAILABLE BALANCE as at August 31, 1992	<u>\$3,062,764</u>	
BALANCE DECEMBER 31		<u>\$3,078,034</u>

- 7) IS THE AVAILABLE
BALANCE ADEQUATE YES X NO

- 8) EXPENDITURE APPROVAL PROCESS Claims Manager and Treasurer.

NOTE: An insurance and risk management consultant has been hired by the City to examine the insurance function, including the funding of this Reserve.

RESERVE/RESERVE FUND DESCRIPTION FORM

- | | <u>1992</u> | <u>1991</u> |
|---|-------------------|-------------------|
| 6) BALANCE JANUARY 1 | \$839,900 | \$ 768,576 |
| ADD: REVENUES | <u>6,459</u> | <u>71,324</u> |
| | 846,359 | 839,900 |
| DEDUCT: EXPENDITURES | <u> </u> | <u>0</u> |
| BALANCE as at August 31, 1992 | 846,359 | 839,900 |
| DEDUCT: COMMITMENTS | <u> </u> | <u> </u> |
| AVAILABLE BALANCE as at August 31, 1992 | <u>\$846,359</u> | |
| BALANCE DECEMBER 31 | | \$839,900 |

- NOTE: A recommendation has been provided for approval to have an actuarial valuation performed on this Reserve.

RESERVE/RESERVE FUND DESCRIPTION FORM

- NOTE: Historically, this Reserve has been compared to a target level of 75% of outstanding taxes. The present shortfall is \$22,243,106 calculated as follows:
- | | | |
|--|----------------|-------------------|
| Reserve Balance | | \$14,052,684 |
| Less: 100% of year end inventory | \$2,761,167 | |
| 100% of prepaid expenses | <u>306,519</u> | <u>3,067,686</u> |
| Balance Applicable to Tax Receivable | | <u>10,984,998</u> |
| 75% of 1991 year end tax receivable (44,304,138) | | 33,228,104 |
| Less balance available noted above | | <u>10,984,998</u> |
| Underfunded by | | \$22,243,106 |

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